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Counseling Services, Inc.
CARF - Rehabilitation Services
Licensed Professional Service
Corporation, State of Illinois

Vocational Services for the whole community

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JVS receives support from the
Jewish United Fund/Jewish Federation

December 13, 2004

**President's Committee for Purchase
From People who are Blind or Severely Disabled**
1421 Jefferson Davis Highway
Jefferson Plaza 2 - Suite 10800
Arlington, Virginia 22202-3259

Attention: Mr. John Heyer; Janet Yandik;

Re: Comments of the Proposed Rules
regarding the Javits-Wagner O'Day
Program

Dear Mr. Heyer and Ms. Yandik:

The Jewish Vocational Service of Metropolitan Chicago is a 501(c) 3 non-profit, non-sectarian Employment and Training Agency. Priority target populations are people with disabilities, the economically disadvantaged, refugees and dislocated workers. A major impact of our programs serving people with disabilities are accomplished through the provisions in the Javits-Wagner O'Day Program, serving 125 people on a daily basis throughout 14 community based sites in metropolitan Chicago. JVS Chicago has been active in the JWOD Program since the 1970's.

As Executive Vice President of JVS Chicago, I have been active in working with NISH, and am a past Chairman of the NISH Board of Trustees. In that capacity I worked closely with the President's Committee for Purchase. Once again, after reading the Proposed Rules regarding the Javits-Wagner O'Day Program, I wish to comment and register my concerns:

- The proposed cap on compensation for non-profit executives will seriously limit the capacity of the JWOD Program to provide employment and training services to our community's citizens with severe disabilities. Community Rehabilitation Programs have grown in size and scope, and must employ administrative experts that are as keen in business management as they are in professional services. Because the prescribed \$207,000 cap also includes benefits, which

can easily exceed 25% of wages, many large and medium size community rehabilitation organizations would be disqualified. That makes no sense – it is the higher end programs that provide multiple support services necessary to help transition the very people we are employing and training into competitive employment. Further, this standard is government based, and does not speak to the non-profit industry. The proposed regulation does not have any impact on the for-profit sector, which would threaten the competitive edge that non-profits have over the for-profit businesses because of the expertise these Community Rehabilitation Programs have in being sensitive to the needs of people with disabilities. These regulations would not only be costly to non-profits but also to the government agencies, and the costs of initiating and monitoring new regulations would also tax the budgets of both.

- The thought of proposing regulations on corporate governance has led a trade association's legal counsel to question the authority of the Committee to impose such regulations under the JWOD Act that already are governed by agencies such as the IRS that oversees compensation issues.

The proposed regulations if passed, would threaten and diminish the opportunities JWOD presently affords people with severe disabilities to be served by the experts in the rehabilitation field of service. Equally threatened would be the charge of the government agencies under the JWOD Act to find and negotiate with other vendors and/or reassume the responsibilities for managing currently outsourced services for which they have little or no expertise, such as mailroom service operations or janitorial services.

One can understand the President's Committee's concerns about the need to address a very small number of abusers in the system but not at the price of threatening the whole industry and the impact on people who are blind or have other severe disabilities. These proposed regulations would set the intent of the JWOD Act back many, many years of progress now achieved. Certainly there are better ways of managing the few abusers in the system.

Sincerely,



Alan Goldstein
Executive Vice President

AG/lk